



## PROCEEDINGS Workshop on

# IMPLICATIONS OF THE BELT AND ROAD INITIATIVE FOR THE SUSTAINABLE DEVELOPMENT GOALS IN BANGLADESH



Jointly Organized by

Bangladesh Institute of International and Strategic Studies (BIISS) &  
United Nations Department of Economic and Social Affairs (UNDESA)





PROCEEDINGS  
Workshop on

# Implications of the Belt and Road Initiative for the Sustainable Development Goals in Bangladesh

Jointly Organized by  
Bangladesh Institute of International and Strategic Studies (BIISS) &  
United Nations Department of Economic and Social Affairs (UNDESA)



***Published by***

Bangladesh Institute of International and Strategic Studies (BISS)  
1/46, Old Elephant Road (West of Ramna Police Station),  
Dhaka-1000, Bangladesh.

Phone: (+88) (02) 9353808, 9336287, 8315808

Fax: 88-02-48312625

E-mail: [info@biiss.org](mailto:info@biiss.org)

Website: [www.biiss.org](http://www.biiss.org)

***Printed by***

GraphNet Limited

95 Naya Paltan, Khan Tower

1st Floor, Dhaka-1000

Phone: 9354142, 9354133, 01715011303

E-mail: [graphnet@gmail.com](mailto:graphnet@gmail.com)

# Workshop on

## “Implications of the Belt and Road Initiative for the Sustainable Development Goals in Bangladesh”

Bangladesh Institute of International and Strategic Studies (BIISS) and United Nations Department of Economic and Social Affairs (UNDESA) jointly organized a workshop on “Implications of the Belt and Road Initiative for the Sustainable Development Goals in Bangladesh” on 10 February 2020 at BIISS. Dr Shamsul Alam, Member (Senior Secretary), General Economics Division, Planning Commission, Government of the People's Republic of Bangladesh graced the workshop as the Chief Guest. Ambassador M Fazlul Karim, Chairman, BIISS chaired the workshop. Colonel Sheikh Masud Ahmed, SPP, psc, Acting Director General, BIISS, and Dr Namsuk Kim, Projects Coordinator, UNDESA, New York delivered the welcome address.

A large number of high level participants including officials of various ministries and agencies of the Government of Bangladesh, scholars, present and former diplomats, representatives of international agencies, activists, and journalists attended the workshop.



# Welcome Address



**Colonel Sheikh Masud Ahmed, SPP, psc**

*Acting Director General, BISS*

**Colonel Sheikh Masud Ahmed, SPP, psc**, Acting Director General, BISS, started his speech by conveying his gratitude to the panelists and audiences for attending the programme. He said that the Belt and Road Initiative (BRI) is a global development strategy adopted by the Chinese government in 2013. Since its inception, 136 countries and 30 international organizations have signed BRI cooperation documents, received US\$90 billion in Chinese Foreign Direct Investment (FDI) and exchanged US\$6 trillion in trade with China. This vast collection of development and investment initiatives is stretched from East Asia to Europe, significantly expanding China's economic and political influence. Although the plan was two-pronged: the overland Silk Road Economic Belt and the Maritime Silk Road, the two were collectively referred to first as the One Belt, One Road initiative but eventually became the Belt and Road Initiative. Bangladesh is also a signatory country of BRI and an important strategic member. During the visit of President Xi Jinping to Bangladesh in 2016, a number of Memorandums of Understanding (MoU) and agreements were signed between Bangladesh and China. Under the BRI projects, Bangladesh was expected to receive US\$26 billion for BRI projects and US\$14 billion for joint venture projects, together totaling to a US\$40 billion package.

Apart from the BRI, there is another giant global development framework approved by the world community. This is called the Sustainable Development Goals (SDGs). The SDGs which is the successor of the Millennium Development Goals (MDGs) is pledged to deal with 17 goals and 169 targets. Bangladesh is also a signatory of the SDGs. The country is engaged in implementing the SDGs for the last five years and has also been playing an active role in the global discourse on the SDGs.

Colonel Ahmed stated that according to experts, the mega plan BRI's five priority areas – policy coordination, facilities connectivity, trade and investment, financial integration, and people-to-people bond – are crucial for the promotion of the social, economic and environmental dimensions of the SDGs. Another important aspect is that the BRI embodies many principles that are needed for successful SDG implementation. Although BRI activities will have numerous spillover effects on all of the global goals in the 2030 Agenda, closer linkages with SDG 7 (access to affordable, reliable, sustainable and modern energy for all) and SDG 9 (Industry, innovation and infrastructure) are particularly crucial.

Lastly, he said that he was quite sanguine that the deliberations of the workshop and remarks by the distinguished speakers and ensuing comments from the learned participants in the open discussion session would help immensely to learn more about the issue. He welcomed all at BISS and wished a happy stay there.



## **Dr Namsuk Kim**

*Projects Coordinator, UNDESA, New York*

Dr Namsuk Kim, Projects Coordinator, UNDESA, New York, started his speech by stating that the workshop was an important part of the UNDESA project on strengthening national capacities for jointly improving the BRI and the SDGs, or the BRI and SDGs project. He also thanked the Ministry of Planning and Ministry of Foreign Affairs for their participation in the workshop.

He stated that Bangladesh has been a strong partner for the UNDESA and together the two entities have made a lot of progresses in the implementation of the SDGs and BRI project since 2018. The BRI initiative launched by the Chinese Government in 2013 provides an important platform for global partnership in five priority areas: (I) Policy Coordination; (II) Infrastructure Connectivity; (III) Trade Facilitation; (IV) Financial Integration and (V) People to People Exchange. Against the backdrop of the 2015 Agenda for Sustainable Development, the BRI can create a new development dynamic that would facilitate the development of policies to achieve SDGs. As highlighted by the UN Secretary General, the BRI has significant importance. With the grand investment, it has a meaningful opportunity to contribute to the creation of a more equitable and prosperous world for all and reversing the negative impact of climate change.

He stated that so far, over 130 countries have expressed interest in cooperating within the BRI framework. The BRI partner countries already account for 60 per cent of the world's population and 30 per cent of the world's GDP and the numbers are continuing to grow. Yet, being at the different stages of economic development, careful microeconomic analysis of social and environmental impact is required to ensure the policymakers in the participating countries of BRI. It is important for having the correct information to formulate with the best possible policy. While BRI has great potential to contribute to the achievement of SDGs, it has to take active measures to realize those potentials. The progress towards achieving SDGs in these countries has been remarkable but there is still need to pick up the pace, as there are only ten years left to achieve them all, which is a daunting task for everybody.





He opined that there is a need to execute every research possible to accelerate the implantation of the SDGs in Bangladesh. As is known to the audience, Bangladesh is on the way of graduating from the least developed countries status, and this has another implication of mobilizing resources.

Dr Kim said that with those realities in mind, the UNDESA has been undertaking the multi-year, multi-country BRI-SDGs project, sponsored by the UN Peace and Development Fund. The objective is to help the policymakers to analyze and formulate more integrated policies through the modeling tools. Actions under the BRI in order to promote the SDGs, both within and across the countries, are very important. The project also enhances and deepens policy analysis and policy dialogue among the policymakers and experts of the participating countries. Bangladesh holds a very important role in the BRI given its strategic location. Therefore, it is very important for the UNDESA to understand the implications of BRI on SDGs in Bangladesh.

Lastly, he hoped that deliberations would provide an opportunity to exchange view and research. The workshop also aims to improve the capacity of the participants by making them understand the modeling framework behind the research. He wished everyone a fruitful workshop.



# Presentations



**Ms Lin Yang**

*Programme Officer, UNDESA*

**Ms Lin Yang**, Programme Officer, UNDESA, delivered a presentation titled “DESA BRI-SDGs project and preliminary research findings for Bangladesh”. She divided her presentation into three major parts: a) Implication of BRI for Sustainable Development and b) DESA BRI-SDGs project and c) Preliminary findings from Bangladesh case study.

At the outset, she provided an overview of the BRI initiative. She described the five priority areas of BRI, which are: policy coordination, infrastructure connectivity, unimpeded trade, financial integration, and people-to-people bond. The policy integration means promoting intergovernmental cooperation and building mechanism for policy exchange and communication; infrastructure connectivity means strengthening infrastructures planning and construction and achieving facilities connectivity; unimpeded trade which implies removing investment and trade barriers and creating sound business environment; financial integration, which include deepening financial cooperation and promoting financial system development. And lastly, people to people bond which include increasing people-to-people exchanges and friendly cooperation.

Ms Yang then showed the sectorial and regional investment of the BRI in order to demonstrate its priority areas. An analysis of the BRI investment of industries showed that energy and electric power had received the highest investment with 46 per cent of the total investment, while transportation and shipping came second with 25 per cent. The other priority areas for BRI are chemical engineering (13 per cent), construction and real state (7 per cent), and metallurgy and mining (4 per cent). In terms of regional investment distribution, East Asia and Pacific and Europe and Central Asia were the topmost investment receiving regions with 34 per cent and 32 per cent of the total investment going there respectively. The South Asian region received 19 per cent investment, the Middle East and North Africa received 13 per cent and the last 2 per cent went to sub-Saharan Africa. All of the data presented were taken from the World Bank estimates.



She then discussed how the priorities of the BRI and SDGs intertwine with each other. Particularly, she mentioned that the following goals of the SDGs are the most connected with the BRI project, and BRI can have an impact in achieving them. These Goals are: SDG Goal 1 – Eliminating Poverty: It is estimated that BRI transport projects could help lift 7.6 million people from extreme poverty (US\$1.90 a day) and 32 million people from moderate poverty (US\$3.20 a day). SDG Goal 8 – Decent Work and Economic Growth: World Bank suggests that trade will grow from between 2.8-9.7 per cent for corridor economies and between 1.7-6.2 per cent for the world. SDG Goal 9 – Industry, Innovation & Infrastructure: Low-income countries are expected to see a significant 7.6 per cent increase in FDI due to the new transport links. SDG Goal 10 – Reduced Inequalities: affordable public transport could help to reduce inequalities, particularly public service.

Ms Yang then moved to the next part of her presentation, which was about the UNDESA-BRI project. She mentioned that the project has been running since 2018 and has 14 beneficiary countries across Asia and Europe including Bangladesh, Sri Lanka, Laos, Thailand, and Romania among others. The project undertakes various activities that can be categorized under three strands. The first of them is providing modeling tools, including simulations of investment/policy, online user-friendly tool, and providing in-depth training if requested. The second activity is providing space for policy dialogue & capacity building through national and regional workshops and by holding global events such as High-Level Policy Forums. The third part of the project includes providing analysis and reports for policy recommendations. This is done through publishing national report (one interim report was published in 2019, and the final one will be published in 2020) and the global synthesis report (to be published at the same interval as the national reports). The forecasting model used by the project is the World Economic Forecasting Model (WEFM) which takes into

consideration a number of indicators including investment, personal consumption, government consumption, exports and imports, labour supply, export growth, labour participation, inflation, exchange rate against US Dollar and interest rate. The model then creates simplified (reduced-form) version of complex non-linear relationships for a) Total Factor Productivity (TFP) adjustment with gov./private infrastructure investment and human capital–skilled ratio of labour force, b) Employment - Male/female labour participation rate; c) Consumption and investment behaviour in relation to expected growth and the real interest rate; d) Fiscal sustainability; e) Poverty reduction – World Bank Long Term Growth Model (LTGM) and f) Environmental impact - CO2 emission.

She then proceeded to the final part of the presentation that presented the results of the WEFM simulation for the Bangladesh case. In a series of slides, she showed what impact BRI project might have on Investment growth, GDP growth, output gap, trend productivity growth, potential output growth, Debt-to-GDP ratio, budget balance, Poverty Headcount rate, labour force participation and CO2 emission. The results showed significant impacts on poverty reduction and other socioeconomic indicators that are expected from simulated BRI investment based on historical trends. While the fiscal space and debt management should be closely monitored, the GDP growth boosted by infrastructure investment is expected to reduce poverty and gender gap in the labour market. On the other hand, CO2 emissions will rise along with income growth, calling for coordinated environmental policies. The key messages from the simulation are thus as following:

- Productivity growth and potential output growth until 2020, then it approaches the original path.
- BRI investment inflows cause GDP to grow faster. In 2020, GDP growth decelerates and even drops below the original growth level. The economy recovers afterwards and GDP growth exceeds the original path in the long run.
- Fiscal deficit and debt rises. Country risk premium also rises, which leads to real interest rate to grow.
- Poverty headcount rate falls steadily throughout the forecasted horizon and reaches about 8 per cent in 2023 (down from 23.5 per cent in 2015).
- In the absence of the environmental policies, harm to the environment from improved economic activity can be remarkable.

Finally, she mentioned some of the areas where the WEFM will work in the future. These areas included finding more data, focusing on environment and other areas, calibrations, region-integrated simulations and qualitative studies.



**Dr Mahfuz Kabir**

*Research Director, BISS*

Dr Mahfuz Kabir, Research Director, BISS, delivered his presentation on the study “Implications of BRI for SDGs in Bangladesh”. At the present deliberation, he started by discussing the priority areas of the ‘giga’ global development programme – the Belt and Road Initiative (BRI). There are five priority areas. These are: a) policy coordination, b) connectivity through investment, c) unimpeded trade, d) financial integration and e) people-to-people bond. In the second priority area, which is ‘connectivity through infrastructure’ also includes ‘Digital Silk Road’. Under the BRI, this new Digital Silk Road initiative will create a new data highway. Thus, both hard infrastructure and soft infrastructure connectivity will be getting priority under the BRI programme. Under the third priority area, ‘unimpeded trade’ will form a trade regime through financial integration and demutualization which has been recently seen in the Dhaka Stock Exchange and many other forms of cooperation in the financial sector.

He said that apart from priority areas, there are lots of other areas which will be making valuable contribution in the implication of this mega plan. Bangladesh is also a signatory to the BRI. Of the six economic corridors of the BRI, Bangladesh is a party to the Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC). BISS was actively involved at the initial stage of the BCIM-EC. Ambassador Munsir Faiz Ahmad, former Chairman of BISS, actively participated in the discussion of the making of the BCIM-EC that took place in BISS and Cox’s Bazar. During the Chinese President Xi Jinping’s visit to Bangladesh in 2016, Bangladesh showed its strong commitment towards the BRI vis-à-vis the BCIM-EC. Again, when Bangladesh’s Prime Minister Sheikh Hasina visited China in July 2019, Bangladesh expressed its well-built commitment towards the BRI vis-à-vis the BCIM-EC. In the Joint statements during President Xi’s visit to Bangladesh in 2016, article 6 and 21 were fully dedicated to show Bangladesh’s full support toward BRI and BCIM-EC. Like the 2016, the joint statement during Prime Minister Sheikh Hasina’s visit to China in 2019, article 7 and 9 represented Bangladesh’s full commitment towards BRI and BCIM-EC. Since Bangladesh has three important milestones to achieve the national development, the country needs to have global cooperation. These three milestones are: a) vision 2021 to become a middle-income country by 2021, b) intended to achieve the SDGs by 2030, and c) vision 2041 to emerge as a developed nation by 2041.

Regarding SDGs he noted that Bangladesh has already achieved most of the Millennium Development Goals (MDGs). Now the country is heading towards achieving the SDGs. In the journey of achieving SDGs, the BRI can be an important instrument of cooperation for Bangladesh. Dr Kabir added that, the country values the regional and sub-regional cooperation that entails the dream of economic growth, shared development and mutual prosperity. Despite tensions over massive influx of Rohingyas, Bangladesh nurtures positive outlook towards BRI and its sub-regional cooperation BCIM-EC. Dr Kabir referred the visit of former Foreign



Minister of Bangladesh to Myanmar during the Rohingya influx. In that visit, the former Foreign Minister showed Bangladesh's commitment towards the BRI and interest in strengthening cooperation in the areas of trade, energy and connectivity under the BRI.

Dr Kabir opined that in terms of cooperation between Bangladesh and China, the volume of trade between the two countries is a significant one. China is the biggest trading partner of Bangladesh. Now, the bilateral trade volume is US\$14 billion between the two countries. Apart from trade, China is involved in Bangladesh's connectivity and infrastructural development. Many Chinese companies are involved in many different development projects in Bangladesh. Of 27 BRI projects, five projects are at the implementation stage. Of them, the Padma Bridge project and notable energy projects are important. Dr Kabir then discussed more on bilateral trade and said that there are many fluctuations in the trend of bilateral trade. According to trend, Bangladesh's export is not very significant but it is increasing. In 2018-19, Bangladesh's export to China is estimated US\$831 million. In the import side, Bangladesh imports huge amount of different products from China especially machinery and mechanical appliances (18.8 per cent), cotton (17.6 per cent), electrical machinery and equipment (12.1 per cent), knitted fabrics (5.2 per cent), and man-made staple fibres (5 per cent). Fabrics are basically used in the production process in the export-oriented Readymade Garments (RMG) industries. Bangladesh's export is basically based on woven apparel, knitted apparel, some vegetable, fish and leather. These are the top export items of Bangladesh.

He added that in terms of Foreign Direct Investment (FDI), China is the number one country from which Bangladesh is getting huge amount of FDI. In 2018-19, Chinese FDI was US\$1.159 billion. Of that amount, 83 per cent of the FDI was disbursed for energy projects specifically the two coal-fired power plants. China has Economic and Industrial Zone (CEIZ) which is located in Chattogram. China has also proposed a



Special Economic Zone (SEZ) for its industries on the southern bank of the Karnaphuli in Chattogram. By 2020, China is supposed to disburse US\$40 billion for the BRI projects in Bangladesh. China is committed to run 27 projects under BRI in Bangladesh. But in reality, only 5 projects are operational. These 5 projects are: the Padma Bridge rail link, Karnaphuli River tunnel, Phase-III of the Incho-Sarkar project, installation of a single-point mooring with double pipeline in Maheshkhali, and modernization of telecommunication network for digital connectivity. In 2017-18, China disbursed US\$981 million which is less than 5 per cent of the amount promised. According to Dr Kabir, this situation is a big concern for Bangladesh.

While linking BRI's involvement in the achievement of SDGs for Bangladesh, Dr Kabir identified some of the specific SDGs. The SDG 1 is about ending poverty in all its forms everywhere. The government expects that rapid and inclusive economic growth along with considerable employment opportunities would help reduce poverty. Therefore, it aims to develop human capital and increase private investment including investment on energy to facilitate accelerated economic growth. The SDG 4 is ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all. In attaining these two goals, international commitment for cooperation will be very helpful. In this regard, BRI will be a good platform for international cooperation. The SDG 7 is to ensure access to affordable, reliable, sustainable, and modern energy. Since China is investing on many energy projects under BRI in Bangladesh, it has direct connotation in achieving this goal. The SDG 8 is to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Employment opportunity is very important to attain this goal. It is understood that if the investment takes place in the infrastructural development projects and also in the special economic zones then it will create huge employment specifically the skilled employment opportunities.

Dr Kabir noted that the SDG 10 is aimed at reducing inequality within and among countries. If the BRI projects implemented successfully in the member countries, then there will be an equalization effect among the BRI member countries. The SDG 11 is about making cities and human settlements inclusive, safe, resilient and sustainable. Regarding this goal, BRI investment in infrastructure can have impact on safety, resilience and sustainability of the cities in the country. The SDG 13 is to take urgent action to combat climate change and its impacts. There is apprehension that China is investing in BRI energy projects which are based on coal-fired plants. There can be two kinds of consequences. One is ash disposal and the other is carbon emission. Although it is an important area of concern but absence of adaptation technologies can be addressed through BRI investment. The SDG 17 is about strengthening the means of implementation and revitalizes the global partnership for sustainable development. In this case, resource mobilization for financing SDGs will be one of the biggest challenges for Bangladesh. Regarding achieving this goal, BRI is expected to play a catalytic role.

Regarding the inflow of Official Development Assistance (ODA), Dr Kabir mentioned that although there is huge commitment but the amount of disbursement is still less. The flow of Chinese ODA has meager even after President Xi's visit to Bangladesh in 2016 when the country pronounced its firm commitment towards BRI. And Chinese FDI becomes suddenly spurred and most of it is in energy projects. From July 2018 to March 2019, the amount of total ODA from different stakeholders is US\$6.2 billion. Of them, Chinese ODA stands for only 15 per cent.

Dr Kabir discussed some issues regarding Chinese way of project implementation, such as, slow pace of project implementation. If any project once gets stopped for some reason it is hard to start again. There are allegations regarding this issue from different corners. Another concern is the use of local professionals and semi-skilled manpower in project implementation. In the case of project implementation, China brings manpower from China. It creates many complications. In this case, Dr Kabir suggested using at least 50 per cent of the local manpower to avoid complication. The third issue is the WTO's Duty Free Quota Free (DFQF)



market access in China. This is another concern. China is granting market access under Asia Pacific Trade Agreement (APTA). In this case, 60 per cent of the product will get duty free access. If Bangladesh gets WTO DFQF then these products will get 97 per cent duty free access. However, still there will be the issue of value addition. It needs to be 40 per cent of the total value. Therefore, Bangladesh once steps to this access then it has to give up the existing facility of Chinese access under the APTA. Thus, this issue may create a baffling situation. The forth issue is the 'Debt Trap' issue. It is basically a hypothesis. Although there are some instances of 'Debt Trap' in different countries but now Bangladesh is receiving 15 per cent of the total ODA from China and the grace period is 8 years which is also sufficient. Thus, it will not be a big concern for now. The final issue is the environmental consequences for several BRI projects. Bangladesh is receiving huge Chinese investment under BRI projects for several energy projects. These coal-fired power plants are creating environmental concerns. There might be heat emission and carbon emission. At the same time, there are many industrial establishments going on that linked to those energy projects. These industries are increasing the need of consumption of water. Although there are many issues related to environmental concerns that were discussed and debated, Dr Kabir said that the Chinese investment would be very important for Bangladesh's overall development.

To understand the possible impact of the BRI on the SDGs more rigorously, Dr Kabir shared some statistics. He used 'Dynamic Growth model' using some selected equations. With the help of 52 equations, Dr Kabir came up with some assumptions under the 'Dynamic Growth Model'. First assumption was the gross output. The gross output will be determined by Cobb-Douglas production function with the Constant Return to Scale (CRTS). The second was about the Labour. Labour will be divided into human capital and ordinary capital with their varying share in the gross output. Third assumption was that input shares in GDP will follow



the recursive path while other equations are endogenous. Fourth assumption was the additional ODA that will come every year on BRI to address ODA gap for achieving SDGs. Additional GDP will be generated via increased capital stock and the amount of this additional GDP will be US\$253 billion. This amount will likely to be generated up to 2030. And the final assumption was about the economy. It will follow the Hicks-neutral technical change. Dr Kabir assumed that the cumulative additional exports will be US\$67 billion and the cumulative additional imports will be US\$94 billion. In terms of the demand for labour, Dr Kabir assumed that the demand for human capital and ordinary labour will be higher for the case of BRI. Therefore, 17.1 million cumulative additional human capitals will be required from 2021 to 2030. And 39.6 million cumulative additional ordinary labour will be needed from 2021 to 2030. Due to the implementation of BRI, Dr Kabir assumed that the additional 8.62 million people would be lifted out of upper poverty line and the additional 5.01 million people would be lifted out of lower poverty line by 2030. This equation is based on the growth elasticity of poverty.

With all these statistics, Dr Kabir demonstrated that BRI can be an important instrument of cooperation for Bangladesh in the journey of achieving SDGs. For the successful implementation of BRI for achieving SDGs, he suggested some policy recommendations for Bangladesh. First, Bangladesh needs to secure ODA as per the commitment under BRI. The present ODA gap is around US\$3.8 billion. China is giving less than US\$1 billion. To be in line with the BRI, the country will need more ODA from China. For doing so, the country needs to implement infrastructural projects at the earliest. Another one is to promote the south-south cooperation vis-à-vis international cooperation under the SDG 17. Second recommendation is to reduce trade barriers. The country needs to reduce trade barriers (tariff, non-tariff and para-tariff barriers) with China and among other BRI member countries. Third, Bangladesh needs to secure more Chinese investment in diversified sectors. At present, only 4 per cent of the investment is coming to textile and clothing sector and 10 per cent is coming to non-bank financial sector. And the final recommendation is that Bangladesh needs to initiate greater coordination in trade, investment and financial policies.

# Discussion by Distinguished Panelists



**Dr Nazneen Ahmed**

*Senior Research Fellow, Bangladesh Institute of Development Studies (BIDS)*

Dr Nazneen Ahmed, Senior Research Fellow, Bangladesh Institute of Development Studies (BIDS), said that she would concentrate more on the economic impact of BRI. She opined that models for analyzing BRI have their limitations. The models give a picture of what might be the situation if everything goes according to the assumptions those where made in the model. However, many things can go otherwise and usually it is necessary to update on a regular basis.

She stated that BRI represents an opportunity to generate development dividends tied to market-based investments and economic growth initiatives. Investment is welcomed as it creates opportunity to grow more. When there is more investment through BRI the expectation is a win-win situation where everybody will be benefitted. However, a country will be able to benefit more if it has more absorption capacity to grow. Therefore, she opined that Bangladesh needs more skilled manpower to take the full benefit of such investment.

The five priorities of BRI have close link with the global sustainable development framework and the associated set of SDGs. The SDGs include goals related to developing countries infrastructure improvement, such as roads, ports and other transport infrastructures, related to energy for all, industrialization, decent jobs for people and worldwide poverty eradication. Hence, there are plenty of opportunities for the BRI to contribute to solving problems that SDGs are intending to solve as well. BRI have the potential to substantially improve trade, foreign investment and living conditions for citizens in its participating countries. If Bangladesh can attract more investment through this initiative it will create opportunity for more trade relations with China and other BRI countries.

She highlighted the importance of alternative options like regional and sub-regional cooperation alongside the BRI on a mutually beneficial manner. For example, she pointed out that the government has already started looking for more trade enhancement with the seven-sister provinces of India. If Bangladesh



has more trade relations with these states, when the BRI will be fully operational then the country will be able to connect with more countries.

While talking about challenges of BRI, she said that some projects under BRI could result into large-scale displacement and loss of livelihoods. Therefore, she emphasized that Bangladesh should concentrate on alternative livelihood opportunities for the displaced people who will be victims in the coming years because of mega projects.

She also put emphasis on identifying how to improve gender equality through BRI. The SDG 5 is focused on achieving gender equality and empowerment for all women and girls. Equality is not only a fundamental human right, but also a necessary foundation for a peaceful, prosperous and sustainable world. Providing women and girls with equal access to education, health care, decent work, and representation in political and economic decision-making processes will fuel sustainable economies and benefit societies and humanity at large. So, it is important that everyone is benefitted regardless of gender through the opportunities created by BRI. In this regard, women's skills development is necessary. Investing in young women's economic empowerment and skills development is one of the most urgent and effective means to drive progress on gender equality and inclusive economic growth. She opined that in most cases displacement of livelihoods affects woman more than man as they do not have much alternative opportunity. Therefore, women's skill development initiatives should be prioritized rather than giving quota in the job market.





## Ms Sultana Afroz

*Additional Secretary  
Economic Relations Division (ERD), Government of the People's Republic of  
Bangladesh*

Ms Sultana Afroz, Additional Secretary, Economic Relations Division (ERD), discussed on the implications of the Belt and Road Initiative (BRI) for achieving the Sustainable Development Goals (SDGs) in Bangladesh. While discussing on SDGs, she explained that there are 17 goals, 169 targets and 232 indicators in SDGs which all the member states of the United Nations have been agreed upon to achieve by 2030. However, considering the country context, Bangladesh has identified 39+1 SDG indicators (among the 232 indicators) to work on a priority basis until 2020. These priority indicators will contribute to achieve 159 targets of SDGs (out of 169 targets) and ensure no one is left behind. On the other hand, the BRI is one of the largest infrastructures and investment projects initiated by China which envisions addressing the expanding infrastructure needs across Asia, enhance regional integration, promote economic development and improve the public access to social services.

She informed the audience that based on the BRI projects Bangladesh has developed cooperation with Beijing where the key focus areas are - infrastructure, economy and digital financial inclusion. This cooperation will foster economy, increase employment opportunity, improved intra-country connectivity, increase GDP, multilateral economic cooperation and enable financial access for all to financial services. Bangladesh did its Voluntary National Review (VNR) in 2017 where the major focus area was these goals such as end poverty (Goal 1), zero hunger (Goal 2) and good health and well-being (Goal 3). However, while doing the VNR, Bangladesh identified several challenges regarding implementing the SDGs.

She mentioned that in terms of Goal 1, one of the major challenges is mobilization of required resources for implementation of interventions for achieving the SDGs. A study reveals that Bangladesh would need additional investment of US\$928 billion or US\$66 billion on annual basis to achieve SDGs. Another crucial challenge is identifying the vulnerable communities due to the lack of disaggregated data. In terms of Goal 2, limited use of sustainable agriculture and boosting agro-processing industries are the key challenges towards achieving the 2030 Agenda. In terms of Goal 3, skilled attendance at birth and addressing the communicable and non-communicable diseases are the major challenges in achieving good health and well-being in Bangladesh. In terms of Goal 5, addressing violence against women and ensure safe and secured environment for women at the workplace are the key challenges. On the other hand, the implementation of mega projects and managing huge financing from multiple sources are the major challenges to attain Goal 9. Depletion of fisheries and environmental degradation (chemical and thermal pollution) are the key challenges in securing life below water to achieve Goal 14. However, the key strategy to address these challenges and achieve SDGs is collaboration and partnership with the other countries of BRI, UN entities and development partners.



She added that, BRI can contribute significantly to address the mentioned challenges and foster the progress of Bangladesh towards achieving SDGs. BRI can strengthen regional connectivity, as well as widening the scopes for Government to Government (G2G) partnerships in large infrastructural and multilateral projects. It is directly linked to SDG 17. BRI can facilitate the connectivity regarding improving the quality of roads and overall infrastructure and can help to attain SDG 9 (industry, innovation and infrastructure) and SDG 11 (sustainable cities and communities). One of the key themes of BRI is unimpeded trade and investment which is directly connected with SDG 7 and this theme contributes to achieve no poverty (Goal 1), zero hunger (Goal 2) and reduced inequalities (Goal 10).

Another theme of BRI is financial integration that can help attaining the financial inclusion of the mass people with better information technology. Better financial inclusivity is directly linked to income-generating activities and can accelerate the progress to achieve SDG 1, SDG 2, SDG 5, and SDG 8. In Bangladesh, there are 160 million people but almost 50 per cent of the population does not have access to financial services. To ensure access of all the financial services, the government established 5,000+ Digital Centres across the country and introduced mobile banking, agent banking and micro ATM. The third theme of BRI is the People to People Bond that can increase medical tourism from Bangladesh to leading medical service providing countries like Thailand, Singapore, etc. BRI can also boost up the tourism sector of Bangladesh and increase higher education scholarships and skills development. Thus, it can escalate the progress of SDG 3 (good health), Decent work (Goal 8), responsible consumption and production (Goal 12) and Goal 4 (quality education).

Later, she discussed the potential areas where Bangladesh can be benefitted from the BRI, such as stable trade pattern, widening export net, infrastructural development and so forth. Taking BRI with high importance, Bangladesh has initiated the development of 100 Special Economic Zones which will create 10





million job opportunities by 2030. This initiative (economic zones) will have significant socio-economic and infrastructural impact in the growth of Bangladesh as well.

She also discussed some of the key challenges for Bangladesh regarding the implementation of the BRI. The first challenge is the geopolitical tension during enhancing connectivity. Geopolitical tensions are one of the biggest challenges related to the BRI implementation in the BCIM-economic corridor. The second challenge is the India-China relationship and the strained Bangladesh-Myanmar relationship over the Rohingya crisis that could be potential challenges to overcome. The third is the time concern regarding the completion of mega projects which is another big challenge. And finally the threat to environment protection is also a concern regarding the implementation of some of the BRI projects.

However, to overcome such challenges, she put forward some recommendations. First, proper coordination on economic development strategies and policies needs to be strictly followed. Second recommendation is focusing on the local job creations. Third is to ensure good governance and timely implementation of projects. And final recommendation of her is doing proper justifications on major constructions.

She ended her discussion by saying that although there are some challenges in achieving the sustainable development in Bangladesh by 2030, people of Bangladesh envision achieving the SDGs through fostering an innovative Bangladesh. The country is striving towards achieving the SDGs, graduate from LDCs as a developed nation and ensure Safe Delta by 2100.

# Open Discussion

Ambassador Humayun A Kamal conveyed his gratefulness to the speakers, the new Chairman of BIIS Ambassador M Fazlul Karim and mentioned a few points on the vast subject. He informed that previously, the name of the initiative was One Belt One Road which has been named BRI now. He also added that Bangladesh is aiming at becoming a middle-income country under the wise and dynamic leadership of



honourable Prime Minister Sheikh Hasina and the Awami League. He mentioned how with the inspiration of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman, Bangladesh is making a very good progress in socio-economic development and has achieved significant economic growth. Bangladesh does not have debt problems like some countries are having. These countries have very little reserves and they export less. Bangladesh has sufficient reserves and its exports are good. He opined that Bangladesh will not fall into this kind of debt problem if it embraces the BRI. The BRI will greatly help Bangladesh because it can take advantage of the Chinese reserves which are worth US\$3.4 trillion. It can be utilized for infrastructure development. To be a middle-income country in five years, the infrastructure would require US\$130 billion.

Given his experience as an ambassador of China, he suggested further advancements and prospects of cooperation. He mentioned that under the World Trade Organization (WTO), Bangladesh should have complete access to the Chinese market which is being followed in the European Union (EU). Hence, he suggested that Bangladesh should keep pressing the Chinese government to get 100 per cent duty-free access to increase Bangladesh's exports to China. He mentioned that China has a good reputation of producing renewable energy. He suggested that Bangladesh should request China to help Bangladesh with this expertise in the energy production sector. He mentioned Bangladesh's achievement regarding the extended Exclusive Economic Zone but questioned whether any of the projects had taken place in this area or got off the group. China, Japan and India are interested in different activities in this zone and Ambassador Kamal requested to make this Exclusive Economic Zone (EEZ) ready to be handed over to the Chinese investors. He also addressed the issue that Bangladesh does not have many banks and insurance companies in China. He mentioned that it could be an important area to be focused on to increase Bangladesh's exports and imports with China. He opined that both government-owned or private banks and insurance companies should be set up in China. Finally, he referred to the World Bank Ease of Doing Business index and questioned the position of Bangladesh in this regard. He also asked how many of the indicators have already been achieved and pointed out that there is a long list of items that have to be met to attract foreign investment.

Brig Gen Shahedul Anam Khan (Retd) sought further explication and clarification regarding the presentations. He referred to Dr Mahfuz Kabir's presentation and questioned why the scopes of BRI and BCIM had been put in the same bed. He informed that BCIM-EC is not featured in the BRI project any longer and it has been settled in the second meeting of the BRI planning in May 2019. He also mentioned that BRI is being mentioned as a predatory project by the western countries, particularly the US. The policies and the plans have been well articulated in the Indo-Pacific policy paper



published in June 2019. He opined that the people of this region are standing in the way of the implementation of the BRI so far as China is concerned given there are centrifugal forces against it. In his last part, he mentioned three key issues which came up in the discussion: the first one was investment which was of prime importance along with job creation and trade. He emphasized on accumulating more investments from China given it is China's flagship project. He questioned whether China is willing to bankroll the entire project. BCIM is still not a complete project and there is no blueprint plan for BRI. He mentioned that China is following the traditional policy of a compass project rather than a blueprint project which means it does not have to stick to the planning and may have a degree of flexibility. At the same time, there are concerns about different issues like the finance itself. Domestic challenges may have externalities which will have impacts on the BRI and the BRI countries. First of all, given the uncertain stock market situation in China in 2015, US\$5 trillion was wiped up. The Chinese stock market constitutes 16 per cent of the world's stock market which is US\$66 trillion. He questioned whether China will be able to finance the projects. He pointed out that many ghost cities have been clogged up in China eating up all the liquid capitals or liquid assets. He also raised the question of technical tsunami like 3D printing and robotics which will hamper the job markets for countries like Bangladesh. The idea of job creation and this aspect of technical tsunami have to be reconciled. He suggested that the opportunities and the preparations must be explored in the way forward. The question of environmental challenges is also a part of it. He concluded his remarks by stating that these issues must also be taken into account when to go with the BRI projects.

**Ambassador Munshi Faiz Ahmad**, former Chairman of BISS, pointed out that it is wrong to assume that BRI is one single project; rather, it is a collection of projects. It is an idea, a vision or a concept and it has to be looked at in that way. And, when there is this flexibility, there no rule as well; each project has to be negotiated separately and it is not Chinese ownership, rather, joint ownership by the participants in the question. Therefore, he questioned Dr Mahfuz Kabir's first statement that BRI is a project which was proposed, financed and implemented by China. He

also mentioned that if someone starts with that perspective, everything will go wrong. More than 60 countries have joined the BRI and the investments do not have to be only Chinese; they can be bilateral or multilateral as well. He also informed that both the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB) will be the new investors; not necessarily the Chinese government. He also referred to the issue of delivering committed ODA to Bangladesh covering different figures like US\$23 billion or US\$48 billion and questioned whether China is not delivering or making a slow delivery, or is it that Bangladesh is not yet ready to receive. He informed that Bangladesh has not made any specific recommendation regarding what it wants from the projects. Unless Bangladesh has any specific demands, it cannot blame the Chinese or any investors.

It needs to be understood that Bangladesh has also some responsibilities to uphold its demands. He criticized the issue of lack of a climate policy raised by Ms Lin Yang and added

that Bangladesh has very specific climate policy along with specific recommendations for specific projects. When to go for project evaluation or feasibility reports, it is imperative to do have climate assessment as well. So, according to him, it is not right to say that Bangladesh does not have a specific climate policy; but it can be said that there is more to be done. He pointed out that people only talk about a few projects like these coal-based power projects all the time but it has to be taken into account that Bangladesh does not have lot of alternatives. Hence, concerned people have to make sure that the coal-based power plants are also climate-friendly. He questioned Dr Shamsul Alam whether it is necessary to specify separate projects as BRI projects; if it is, then how people can decide which one is a BRI project and which one is not. To elaborate the point, he mentioned that some people would see the Padma Bridge project as a BRI project; but it is a project of the Government of Bangladesh which is going to contribute to the BRI in terms of connectivity and other prospects. He also addressed the issue of soft connectivity and added that although there are a lot of connectivity infrastructures, it does not make it easy for



people to use those. Soft infrastructures like visa policies also make it easier for people to use them; otherwise, these cannot be utilized. He pointed out that when people talk about BRI, they must not forget that Bangladesh is bound by India, Myanmar and the Bay of Bengal. Whichever direction Bangladesh wants to go, these spaces are very crucial. He suggested that Bangladesh must have good relations with both India and Myanmar and make sure that the Bay of Bengal is unfettered. Therefore, it is also important to see that both India and Myanmar are actively joining the BRI if Bangladesh people want to get the full benefit out of it.



**Sheikh Shahriar Zaman**, Special Correspondent, Bangla Tribune, referred to Dr Kabir's speech and questioned the concerns regarding the differences between traditional and non-traditional challenges. He praised how Dr Kabir has identified the traditional challenges like the role of WTO but pointed out the non-traditional concerns like the coronavirus outbreak. According to him, if this type of threat continues for one or two years, there are uncertainties about China. He asked whether this may hamper the BRI initiative. He also referred to the issue of SDG and questioned the roles of India and the United States (US) and how it may have an impact on the BRI. He particularly asked for the views of the former Ambassador of Bangladesh to China and the current Chairman of BISS M Fazlul Karim.

**Major General Fazlur Rahman (Retd)** questioned while accepting the BRI projects, whether people should seek for hard-term loans or soft-term loans. He also suggested that every project must be evaluated separately but wanted to learn the categories upon which they would be divided.



**Ambassador Tarik A Karim** asked for clarification on two issues. He referred to Ms Yang's presentation and the three red flags she had talked about and suggested that all three of the issues need to be looked at very carefully. He suggested that Bangladesh needs to have its own calibration. He also questioned whether climate policy of Bangladesh harmonizes with the impacts of the projects if Bangladesh is going to have in its own territory. In his second point, he addressed the question of fiscal deficit and debt crises as well as the rise of Country



Risk Premium (CRP) leading to the rise in real interest. He suggested that the Planning Commission and the Economic Relations Division (ERD) should take into account all of these issues. He also stated that investments might result in faster growth of GDP but it will decelerate the GDP rate in 2020, dropping it below the original level. He concluded his comment mentioning that geopolitics is going to be very important because people of this region are in the meeting point of two competing narratives: one is the BRI and the other one is the Indo-Pacific initiative. Finally, he suggested that everyone should look forward to mediating between the two rather than making them clash with each other.

**Lieutenant Colonel Md Shahadat Hossain (Retd)** mentioned that the base of his talking was his experience of interpreting for 52 high-level delegations, the leaders' views on Bangladesh and their opinions on reducing the trade gaps. He specifically requested the government to take the benefit of the BRI since Bangladesh has a large ocean and main aim should be to learn oceanography from China. The Chinese are expert in it and it can be done with





the help of BRI. BRI has not opened up scopes for only government to government activities, but the Chinese people are now spread all over the world. Bangladesh provides on arrival visa permission as well and every day in average 350 Chinese people are landing at Dhaka airport with on-arrival visa and they are scattered everywhere. He suggested that Bangladesh may make one China-Bangladesh complex officially, which will have a learning centre, exhibition centre, accommodation facilities, club facilities - some sort of China club and the primary aim of this venture would be to train Bangladeshi people for employment in China. He shared that he had an opportunity to hear the Prime Minister of China during a dinner discussion where the Bangladeshi Prime Minister was talking about what could be done to reduce the trade gap. The Chinese Prime Minister replied that even if China allows 100 per cent duty free trade, Chinese people have to like the products and these products have to be suitable enough to have demand in the Chinese market which can only be achieved through resources of our oceans. He opined that if Bangladesh invests in oceans, these products can be exported to China and it can reduce the gap. He added that people had been listening for the last 30-40 years that there should have direct contact with China so that Bangladesh can have a land route and that the gap is only 90 kilometers. He suggested that Bangladesh must take initiatives to reduce this gap in terms of BCIM or other schemes.



**Major General Muhammed Firdaus Mian, psc (Retd)** pointed out that BRI is a geo-political or geo-strategic concept. He echoed Dr Kabir's words that it is a Chinese concept and very similar to another concept, the Indo-Pacific Initiative. He asked two very specific questions. His first question included UNDESA's partnering in the promotion of BRI, and how it is going to have implications upon the SDGs. He elaborated the query asking if they are providing endorsement of this particular initiative, then when it was done. In one of the slides, he pointed out that where Dr Kabir illustrated the issues of infrastructure development, Padma Bridge had been shown as a product of the BRI initiative projects. He asked how much the Chinese investment was provided in that particular realm, because as far as he knows, it is being made with our own resource and money.

**Major General A M S A Amin, ndc, psc (Retd)** mentioned that it was a UNDESA sponsored event and the purpose had been to tell everyone about the selected economies on SDGs and how to derive benefits from BRI; and, secondly what SDGs can relate to the BRI problems faced by Bangladesh. He suggested that Bangladesh needs to do a lot of work on that as it is a very important aspect for the development of Bangladesh. He also pointed out that Sri Lanka, Pakistan, Bangladesh and one more country are altogether related to this project of SDG and BRI. He proposed to Dr Alam if the government of Bangladesh can take initiative to organize a workshop on what has happened on the SDG programmes in the last few years and how BRI projects could really be giving lessons to Bangladesh. This can be one or two-day long workshops and people could be benefited from the experiences; like they could know about the experiences in Sri Lanka and Pakistan. According to him, in relation to policy co-ordination, this is also very important. In his last point, he mentioned the issue of digital road in addition to spread in infrastructure. He opined that if Bangladesh could focus on this subject, it can help in developing Bangladesh's digital connectivity using BRI.



# Responses

Dr Mahfuz Kabir provided answer to the question on the Padma Bridge rail linkage. He informed that it is a US\$2.67 billion project and it had been signed back in 2018 and US\$533 million have been released so far. He also added that he did not have any information regarding the joint ownership. The projects have been designed depending on the commitment of the Chinese authority, other than BRI. He also pointed out the climate issue and added that it is a big concern. He recognized that there had been a number of policies, strategies and action planning but still it is a serious issue since money is being invested there. Reiterating the issue of the Chinese ownership, he stated that it is not only that Chinese government will have ownership; other national governments will be parts of the projects as well. This is why they are called shared ownerships. He gave example of the Digital Silk Road where not only hardware but also software will foster the development. He concluded his response by thanking everyone and added that he would note down the points and include them in the paper.



Ms Sultana Afroz praised how the commentators were very experienced in this area and added that most of the queries were answered by the comments themselves. As a government official and a practitioner in the ERD, she stated that according to the rules of business, ERD is responsible for making negotiations and discussions with the development partners. She informed that in the case of the BRI, when the Chinese mission comes, they are still having the negotiations and discussions to get the benefit from the BRI. She also addressed the issue that someone talked about the opportunities in the EEZ and mentioned that the Government has already established 100 EEZ and further job opportunities can be created in those areas enhancing further socio-economic development. She concluded her response expecting that Dr Shamsul Alam would give further explanation to the questions.



Ambassador M Fazlul Karim clarified whether the BRI is a geopolitical or a geo-economic construct. He mentioned that as the Chinese leaders substantiate, it is an economic construct or project. Nevertheless, he also added that in the 21st century, the distinction between geopolitics and geo-economics is very thin and even getting blurred day by day. He suggested that as a developing country, Bangladesh should try to extract economic benefits as much as possible from this project. The motto of Bangladesh foreign policy as pointed out by the Father of the Nation Bangabandhu Sheikh Mujibur Rahman is friendship with all and malice towards none. Therefore, Bangladesh must have friendship with all the major powers in the world. He supported Ambassador Tarik A Karim's comment that other countries should join the project as well and mentioned that it is the choice of Bangladesh to be in the project and China is definitely trying to have a ring of friends. How the others see it will depend on their foreign policy objectives and national interest. The objective of Bangladesh is to have peace and stability in Asia so that people can focus on economic development. He opined that if other powers can be brought under the same objective, the project will go a long way. He concluded his response hoping that other powers will bandwagon as well and then there will not be any question whether BCIM is going to be implemented. If the other powers try to engage in rivalry in the Indian Ocean, it is their concern but Bangladesh must not fall into the trap.





# Address by the Chief Guest



**Dr Shamsul Alam**

*Member (Senior Secretary), General Economics Division (GED), Planning Commission  
Government of the People's Republic of Bangladesh*

Dr Shamsul Alam, Member (Senior Secretary), General Economics Division (GED), Planning Commission, Government of the People's Republic of Bangladesh, said that Bangladesh needs substantial investments for infrastructure and human development to become a developed country. So, Belt and Road Initiative (BRI) has come to Bangladesh as a boon for economic growth and transformation.

He noted that the name was coined in 2013 by China's President Xi Jinping, who drew inspiration from the concept of the Silk Road established during the Han Dynasty 2,000 years ago – an ancient network of trade routes that connected China to the Mediterranean via Eurasia for centuries. The BRI has also been referred to in the past as 'One Belt One Road'. The BRI comprises a Silk Road Economic Belt – a trans-continental passage that links China with Southeast Asia, South Asia, Central Asia, Russia and Europe by land – and a 21st century Maritime Silk Road, a sea route connecting China's coastal regions with Southeast and south Asia, the South Pacific, the Middle East and Eastern Africa, all the way to Europe. BRI is a programme of China that seeks to connect Asia with Africa and Europe via land and maritime networks along six corridors with the aim of improving regional integration, increasing trade and stimulating economic growth. The initiative defines five major priorities: policy coordination; infrastructure connectivity; unimpeded trade; financial integration; and connecting people.

Mr Alam mentioned that the BRI has a targeted date of completion by 2049 on the occasion of China's centenary founding anniversary. 136 countries and 30 international organization signed cooperation documents as of July 2019. It includes more than 1800 projects. It is projected that total BRI investment since 2013 is US\$120-575 billion, which is 1.5 per cent of the global foreign direct investment (FDI). Although some put it as high as US\$1 trillion in investments, largely in infrastructure development for ports, roads, railways and airports, as well as power plants and telecommunications networks. The BRI's geographical scope is constantly expanding. So far it covers over 70 countries, accounting for about 60 per cent of the world's

population and around 30 per cent of the world's Gross Domestic Product (GDP). The Middle East and North Africa have to invest 13 per cent, East-Asia and Pacific 34 per cent, Europe and Central Asia 33 per cent and South Asia 19 per cent of the total projected investment.

He then talked about the link between BRI and SDG. BRI initiative is concerned with improvement of infrastructure which is related to SDG 9. Second objective of BRI is to boost trade and investment which is linked to SDG 8. The World Bank suggests trade could grow between 2.8 and 9.7 per cent for BRI corridor economies, and between 1.7 and 6.2 per cent for the world. The countries are expected to see a significant 7.6 per cent increase in FDI due to new transport links and new transport development. Another objective of BRI is reducing poverty which is linked to SDG 1. It is estimated that BRI transport projects could help lifting 7.6 million people out of extreme poverty and 32 million people from moderate poverty. Besides, BRI emphasizes promoting partnership which is linked to SDG 17. Resource mobilization for financing is one of the biggest challenges for Bangladesh in which BRI is expected to play catalytic role. This will also open up employment opportunity.

He added that Bangladesh is a member and strongly committed to BRI which is reflected in the joint statements during Chinese president Xi Jinping's visit to Bangladesh on 14-16 October 2016 and during the visit of Bangladesh Prime Minister to China from 1-6 July 2019. China is a leading trade partner of Bangladesh and it signed deals to provide US\$22.5 billion loans for the 27 projects. BRI can be an important tool for achieving many of the SDGs by developing crucial road and rail infrastructure, creating jobs and building resilient cities and reducing poverty. Bangladesh needs US\$66 billion per year to achieve the SDGs by 2030. Mitigating the climate-induced risks and inclusive development are some of the crucial goals under the SDGs. This membership is aimed at attaining SDGs and achieving national development marks, such as becoming a middle-income country by 2021 and to emerge as a development nation by 2041.



He warned that despite large benefits, there are potential risks as well. Many people have been talking about the BRI will leave more developing countries in a debt trap. Though Chinese loans under BRI are large in size, it is sometimes bigger than the GDP of smaller economies. For example, the China-Kazakhstan deal under BRI is roughly US\$37 billion, which is over 20 per cent of Kazakhstan's GDP, while its external loan is more than 80 per cent of its GDP. There are high risks for developing economies with underdeveloped financial markets because of their less-effective debt management. However, the case of Bangladesh is very different. Bangladesh has no risk of falling into the debt trap of Chinese loans as cautioned by many economists. He said that Bangladesh has never failed to pay back its debt in the past. The GDP of Bangladesh is growing fast. The budget deficit is below 5 per cent which is less than that of India, Pakistan and Sri Lanka. Here the debt-GDP ratio is only 34 per cent and out of which 20 per cent came from domestic sources while the other 14 per cent came from foreign sources. This is far below the average of developing countries. There are many countries where such ratio is much higher than the GDP. If the ratio reaches even 65 per cent, it may not harm the economy.

On fossil fuel-based power projects, he said that BRI feels heightened pressure to address the emission implications of its energy projects. In 2018, over 40 per cent of the BRI lending was for the power sector. However, this has come under scrutiny after BRI's recipient countries have started to raise concerns over Chinese coal projects for their impact on local environments. In light of this, environmentalists suggest environmental impact studies are earnestly considered before taking up BRI projects.

He concluded his speech by stating that Bangladesh may heartily welcome and participate in BRI endeavour in pursuit of the country's own economic high aspirations. BRI has a catalytic role in SDG. It would help the country to boost trade, open up employment and reduce poverty which is directly linked to the SDG goals.

# Remarks by the Chair



**Ambassador M Fazlul Karim**  
*Chairman, BISS*

Ambassador M Fazlul Karim, Chairman, BISS, began his speech by saying that the workshop was about what impact the BRI might have on the SDGs in Bangladesh and thus was very important. The BRI, a major policy initiative of Chinese President Xi Jinping to resurrect the Silk roads of olden days, seems to have caught the imagination of the world. The silk routes connecting China with the Middle East, South Asia, Africa and Europe existed for millennia, contributing to trade and cultural exchanges among peoples of different nationalities. The BRI, also known as One Belt and Road One Road (OBOR), was formalized at the Connectivity Dialogue in November 2014 in Beijing. The initiative was mooted basically with the twin objectives of seeking a wider market for Chinese products and to profitably invest her huge forex reserves.

He added that supporters, as well as critics of BRI, agree on one point that it is an initiative with profound implication not just for the world economy but also for the existing global order. China has seized the opportunity of difficulties for the developing countries to fund their infrastructure megaprojects as loans from the existing international financial institutions are grossly inadequate. Under BRI, a number of land routes have been planned to connect Central Asia, Europe, South and South Asia through rail and road links. The maritime route would be from eastern Chinese ports through South and South East Asia and the Indian Ocean to Middle East, Africa and Europe, involving building ports, cities, industrial zones, etc. The scope of the initiative is larger than that as China plans to invest hundreds of billions of dollars in various infrastructure projects in countries around the globe.

China's leaders refer to a win-win paradigm while trying to sell the BRI. According to them, while the BRI will offer an opportunity to profitably invest China's huge foreign currency reserve, it will at the same time help especially the developing countries build their critical infrastructure which in turn would spur economic growth and development. Many experts have opined that the idea is to help the developing countries grow economically so that there would be more demand for China's products. China has reassured everyone that China does not have any hidden plan in promoting BRI. President Xi has emphatically stated that "China will be able to avoid the old paths taken in Western colonialism—exploiting the developing countries by getting the raw materials from these markets and dumping their products here."



Ambassador Karim said, as a close friend and proximate neighbour, Bangladesh joined the initiative at the very beginning to be benefitted from enhanced investment and trade as well as other opportunities to be created by wider connectivity. Through the signing of a MoU, Bangladesh formally joined the BRI initiative during President Xi Jinping's visit in October 2016. It is important to note that many Western countries, who were initially hesitant and also critical of the initiative, have participated at the two 'Belt and Road' forums in Beijing in 2017 and 2019. On the other hand, Bangladesh is an active participant of the BCIM-EC.

He opined that having multi-faceted cooperation with China, the BRI offers an important platform through which the bilateral engagements can be further expanded. Financing Bangladesh's mega projects under 2021 and 2041 development visions would require the injection of an enormous amount of external financial resources. There is a need for massive investments to upgrade the infrastructure; create millions of jobs to eradicate poverty. It is reassuring that China not only has the money and the required technology but also is willing to extend a helping hand. The encouraging element in China's loans is that they are said to be not laced with political strings. Some economists have, however, cautioned against falling into debt traps. Bangladesh, therefore need to choose viable projects and the terms of the credits should be deftly negotiated, especially interest rates, payment schedules, etc. It may prepare projects which will have greater socio-economic development impact. According to him, projects for which arranging fund is difficult, where others are imposing stringent terms and conditions may also be chosen. Public and private investment from China should be sought to spur rapid industrialization of the country.

After achieving most of the targets under the MDGs before the marked date, Bangladesh is poised to reach the stated goals of the SDGs on time. In Bangladesh's development journey many have argued that the projects under the BRI would help achieve a greater level of economic growth and sustainable development thereby helping in reaching the SDGs. In addition to the BRI, Bangladesh is a member of various other initiatives aimed at enhancing regional, global integration and connectivity which is also aimed at promoting greater economic development for members.

Finally, he remarked that when the Chinese investors invest in Bangladesh, due to Bangladesh's strategic location, they will be capturing a huge market, not only that of Bangladesh, but also that of India, South and Southeast Asia. He also added that the soft aspect of connectivity, including the people-to-people connectivity should be considered with more importance. Lastly, he said that the workshop has helped to know the audience more about the initiative and its impact on reaching the SDG targets.



**Prepared by**

**Dr. Mahfuz Kabir**, Research Director

**Md. Jahan Shoieb**, Research Fellow

**Shanjida Shahab Uddin**, Research Officer

**Lam-ya Mostaque**, Research Officer

**Nahian Reza Sabriet**, Research Intern



# BIISS Publications

- **BIISS Journal (Quarterly)**

- **Bangladesh Foreign Policy Survey (Quarterly)**

- **BIISS Papers (Monograph series)**

The Assam Tangle : Outlook for the Future (1984)

The Crisis in Lebanon: Multi-dimensional Aspects and Outlook for the Future (1985)

India's Policy Fundamentals, Neighbours and Post-Indira Developments (1985)

Strategic Aspects of Indo-Sri Lanka Relations (1986)

Indo-Bangladesh Common Rivers and Water Diplomacy (1986)

Gulf War : The Issues Revisited (1987)

The SAARC in Progress : A Hesitant Course of South Asian Transition (1988)

Post-Brezhnev Soviet Policy Towards the Third World (1988)

Changing Faces of Socialism (1989)

Sino-Indian Quest for Rapprochement: Implications for South Asia (1989)

Intifada : The New Dimension to Palestinian Struggle (1990)

Bangladesh : Towards National Consensus (in Bangla, 1990)

Environmental Challenges to Bangladesh (1991)

The Gulf War and the New World Order : Implication for the Third World (1992)

Challenges of Governance in India : Fundamentals under Threat (1995)

Bangladesh in United Nations Peacekeeping Operations (1998)

Nuclearisation of South Asia : Challenges and Options for Bangladesh (1998)

The Middle East Peace Process and the Palestinian Statehood (2000)

Pakistan and Bangladesh : From Conflict to Cooperation (2003)

Integrated Coastal Zone Management in Bangladesh : A Case for People's Management (2003)

WTO Dispute Settlement System and Developing Countries: A Neorealist Critique (2004)

State Sovereignty and Humanitarian Intervention : Does One Negate the Other? (2006)

Unipolarity and Weak States: The Case of Bangladesh (2009)

Japan's Strategic Rise (2010)

The Fallacy of Fragile States Indices: Is There a Fragility Trap (2017)

Implications of China's Belt and Road Initiative for Bangladesh: A Strategic Analysis (2020)

Disaster Risk Reduction and Resilience: A Quest for Human Security in Bangladesh (2020)

- **BIISS Seminar Proceedings**

Contemporary Development Debate: Bangladesh in the Global Context

Moving from MDGs to SDGs: Bangladesh Experience and Expectation

SAARC at 30: Achievements, Potentials and Challenges

Bangladesh's Relations with Latin American Countries: Unlocking Potentials

Civil-Military Relations in Democracy: An Effective Framework

Recent Extremist Violence in Bangladesh: Response Options

25 March – Gonohottya Dibosh (Genocide Day)

Reconciling Divided Societies, Building Democracy and Good Governance: Lessons from Sri Lanka

Promoting Cultural Diversity of Small Ethnic Groups in Bangladesh

“রোহিঙ্গা সংকটঃ বাংলাদেশ কর্তৃক গৃহীত পদক্ষেপ ও পর্যালোচনা”

Bangladesh Delta Plan 2100

Upcoming 45<sup>th</sup> Session of the Council of Foreign Ministers of OIC, Dhaka: Revisiting a Shared Journey

Bangladesh in International Peacebuilding: Experience from Japan

Commemorative Seminar on International Day of Peace.

Bangladesh-India Cooperation in The Changing Regional and Global Context.

- **BIISS Country Lecture Series**

BIISS Country Lecture Series: Part- 1

BIISS Country Lecture Series: Part- 2

# BIISS Publications

- **Books**

South Asian Regional Cooperation: A Socio-economic Approach to Peace and Stability  
Nation Building in Bangladesh: Retrospect and Prospect  
The Indian Ocean as a Zone of Peace  
The Security of Small States  
ASEAN Experiences of Regional and Inter-regional Cooperation: Relevance for SAARC  
Development, Politics and Security: Third World Context  
Bangladesh and SAARC: Issues, Perspectives and Outlook  
Bangladesh: Society Polity and Economy  
South Asia's Security: Primacy of Internal Dimension  
Chandabaji Versus Entrepreneurship: Youth Force in Bangladesh  
Development Cooperation at the Dawn of the Twenty First Century: Bangladesh-German Partnership in Perspective  
Conflict Management and Sub-regional Co-operation in ASEAN: Relevance of SAARC  
National Security of Bangladesh in the 21st Century  
Civil Society and Democracy in Bangladesh  
Regional Co-operation in South Asia: New Dimensions and Perspectives  
Confidence Building Measures and Security Cooperation in South Asia: Challenges in the New Century  
Bangladesh-Southeast Asia Relations: Some Insights  
Security in the Twenty First Century: A Bangladesh Perspective  
25 Years of BIISS: An Anthology  
Politics and Security in South Asia: Saliency of Religion and Culture  
Small States and Regional Stability in South Asia  
Religious Militancy and Security in South Asia  
Global War on Terror: Bangladesh Perspective  
Towards BIMSTEC-Japan Comprehensive Economic Cooperation: Bangladesh Perspective  
Democracy, Governance and Security Reforms: Bangladesh Context  
Whither National Security Bangladesh 2007  
National Security Bangladesh 2008  
Human Security Approach to Counter Extremism in South Asia: Relevance of Japanese Culture  
National Security Bangladesh 2009  
Energy Security in South Asia Plus: Relevance of Japanese Experience 2016  
Changing Global Dynamics: Bangladesh Foreign Policy 2018  
Bangladesh in International Peacebuilding: Discourses from Japan and Beyond

**South Asia Human Security Series:**  
Nepali State, Society and Human Security: An Infinite Discourse  
Evolving Security Discourse in Sri Lanka: From National Security to Human Security  
Violence, Terrorism and Human Security in South Asia  
Women and Human Security in South Asia: The Cases of Bangladesh and Pakistan  
Human Security in India: Health, Shelter and Marginalisation  
Pakistan: Haunting Shadows of Human Security  
Human Security in India: Discourse, Practices and Policy Implications  
Human Security Index for South Asia: Exploring Relevant Issues  
Ethnicity and Human Security in Bangladesh and Pakistan



The Bangladesh Institute of International and Strategic Studies (BIISS) is a statutory institution established in 1978 under the administrative control of the Ministry of Foreign Affairs, Government of Bangladesh, for undertaking and promoting research and deliberation on international affairs, security and developmental issues.

The priority areas of the Institute's research activities are: foreign policy, security and strategic issues with specific relevance for Bangladesh; regional, inter-regional and international cooperation, sustainable development with focus on resource management and environmental issues; conflict studies, peace keeping, disarmament, non-proliferation and area studies.

Contemporary issues of South Asian politics, security and development are the focus of research activities of the Institute. Ethno-religious issues, regional and sub-regional cooperation, globalisation and environmental issues are of special research interests. Problems of institutionalisation of democracy, economic liberalisation, trade and investment links, challenges of governance and strengthening the civil society receive significant scholarly attention.

The general guidance and superintendence of the Institute's affairs are vested upon the Board of Governors, headed by a Chairman and consisting of representatives of ministries, armed forces, academics and professionals. The Director General is the Member-Secretary of the Board and Chief Executive of the Institute. The main activities of the Institute are carried out by the Research Faculty consisting of a team of full-time researchers with varied social sciences background.



**Bangladesh Institute of International and Strategic Studies (BIISS)**

1/46, Old Elephant Road (West of Ramna Police Station), Dhaka-1000, Bangladesh

Fax: 88-02-48312625, E-mail: [info@biiss.org](mailto:info@biiss.org), Website: [www.biiss.org](http://www.biiss.org)